



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 7/7/2005

**GAIN Report Number:** ID5015

## Indonesia

### Grain and Feed

## Rice Import Ban Extended 2005

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**Report Highlights:**

Indonesia extends rice import ban until December 31, 2005.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Jakarta [ID1]  
[ID]

The GOI on June 24 extended the current rice import ban until December 31, 2005, due to a "sufficient rice stock". Also the average price of medium-quality local rice is still under the GOI target of Rp. 3,500/kg (US\$ 357.1/MT). However, the ban will be re-evaluated when the average price of medium-quality rice exceeds Rp. 3,500/kg (US\$ 357.1/Ton) and the State Logistics Agency (BULOG)'s rice stocks decline to below 1 MMT.

Currently the total of Bulog rice stock is reported at 1.8 MMT, which could be distributed for next 9 months. As of July 5, the average price of medium-quality rice (IR64-II) in wholesale market reached Rp. 2,900/kg (US\$ 295.9/MT).

Based on GOI data, this year rice production is expected to reach 53 MMT unhusked/rough rice. GOI figures indicate a stock level of 4.23 MMT by the end of this year.

The Ministry of Trade has stated that it will allow imports of rice strains that are not locally produced, such as: rice for health purposes, basmati rice, and 100% broken rice, rice that is imported in small quantities, such as: glutinous rice. However, these imports require prior approval from the Ministry of Agriculture. It's reported that recently The Indonesian Hotel and Restaurant Association (PHRI) requested approval to import brown rice (Thai hom mali) around 39,000 tons.

Since rice imports were banned on January 20, 2004, the Indonesian rice market has been driven largely by local supply and demand. Post forecasts normal price increases as harvest tapers off, perhaps to the trigger level of US\$ 357.1/MT.

It has been reported that during January-May 2005 inter-island trading of rice has increased 17% in volume compared in 2004. Currently rice demand from outside Java, such as: Riau, West Sumatra, and West Kalimantan, is around 15,000-17,000 tons per week.

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